

1988

MARKET SURVEYS

AND ANALYSIS

PROJECT:

EXECUTIVE

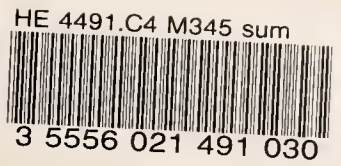
SUMMARY



Strategic Planning Department

June, 1989

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**EXECUTIVE SUMMARY
1988 MARKET SURVEYS AND ANALYSIS PROJECT**

**Prepared for:
Chicago Transit Authority**

**By:

Market Opinion Research
and
Midwest System Sciences, Inc.**

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Contract 701088**

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**EXECUTIVE SUMMARY 1988 MARKET SURVEYS
MARKET OPINION RESEARCH & MIDWEST SYSTEM SCIENCES, INC.**

A. Overview of Research

This is the summary analysis of five surveys conducted in 1988 for the Chicago Transit Authority (CTA) by Market Opinion Research (MOR) and Midwest System Sciences, Inc. (MSS).

The entire market research project was designed to start with baseline research on use of CTA by persons age 12 and over in the CTA service area and to identify the travel modes and patterns, attitudes about transportation, and demographic characteristics of both riders and non-riders of CTA. The baseline research also had as an objective market segmentation to identify segments with potential for increased ridership. These segments became the subjects for the four follow-up surveys: (1) the daytime downtown distribution market, (2) the Chicagoans who travel from their homes to the central business district for work commuting and other trips, (3) recreational visitors to large trip generator sites (museums were chosen as such sites) and (4) visitors to large employer-visitor service centers (the Rush-St. Luke's/Cook County Hospitals Medical Center was chosen as such a center).

Findings of each of the five surveys in the 1988 Market Research Project are covered in full in the analysis reports and crosstabulations delivered by MOR and further analysis reports by MSS which are listed under each survey:

1. Baseline Household Market Research Survey: Telephone survey of households in the CTA service area (Chicago and 37 suburbs) and interviews with a randomly selected sample of 1,653 persons age 12 and over, including riders and non-riders of CTA, in the week prior to interview. Interviews were conducted in May 1988, with a few in June.

- *Household Survey of the CTA Service Area*, Market Opinion Research (August 1988)
- *Analysis and Interpretation of Factors Affecting CTA Ridership*, Midwest System Sciences, Inc. (October 1988)

2. Downtown Distribution Survey: Intercept interviews with 1,835 pedestrians in the Loop, North Michigan Avenue, River North, West of the Loop (Union-Northwestern station region) and area south of the Loop north of Roosevelt and east of the river. Interviews conducted in November 1988.

- *Downtown Distribution Survey*, Market Opinion Research (December 1988)
- *Characteristics and Transportation Attitudes of Downtown Chicago Pedestrians*, Midwest System Sciences, Inc. (April 1989)

3. Chicago CBD Traveler Survey: Telephone interviews with 1,805 persons, screened from a random sample of 7,200 Chicago households, who made a trip to downtown Chicago in the week prior to interview. Interviews were conducted December 1-19, 1988.

- *Chicago CBD Traveler Market*, Market Opinion Research (December 1988)
- *Analysis of Chicago Travel to CBD Market*, Midwest System Sciences, Inc. (June 1989)

4. Survey at Trip Generator Sites: Museum of Science and Industry, Field Museum of Natural History, Shedd Aquarium: Intercept interviews with 575 adult visitors to the museums on Saturday and Sunday, December 10 and 11, 1988.

- *Intercept Interviews at Three Museum Trip Generator Sites*, Part 1 of *Intercept Interviews at Trip Generator Sites*, Market Opinion Research (December 1988)
- *Market Analysis of Travel to Special Generators: The Museum of Science and Industry, The Field Museum of Natural History, and The Shedd Aquarium*, Midwest System Sciences, Inc. (May 1989)

5. Survey at Trip Generator Site: Medical Center: Intercept interviews with 543 visitors and employees to Rush-St. Luke's Hospital and Cook County Hospital on Wednesday-Friday, December 12-14, 1988.

- *Intercept Interviews at Two Hospital Trip Generator Sites, Part 2 of Intercept Interviews at Trip Generator Sites, Market Opinion Research (December 1988)*
- *Market Analysis of Travel To Special Generators: Medical Center, Midwest System Sciences, Inc. (June 1989)*

B. Key Findings of the Baseline Market Research Survey

- 70% of Chicago households have one or more individuals age 12 and over who rode CTA during the week prior to interview.
- 27% of households in the 37 suburbs in the CTA area have one or more individuals age 12 and over who rode CTA in the week prior to interview.
- This means that overall a 58% majority of households in the total CTA service area make some use of CTA in a typical week.
- As proportions of all individuals 12 and over, 49% of Chicagoans, 23% of suburbanites in the service area and 43% of those in the service area use CTA in a typical week.
- CTA carried 38% of all trips reported by respondents. Excluding trips by Metra, walk, bike and taxi, CTA carried 43%.
- CTA share of home-based work and school trips is 50%.
- The single most important geographic market for CTA riders continues to involve trips to and from the central business district (CBD), expanded Loop area, including North Michigan Avenue, River North and areas west and south of the Loop. Nearly one-fourth (22%) of CTA riders have the CBD as their destination.
- Approximately one-half (47%) of all CTA trips have the CBD as their origin or destination.
- CTA share of peak period trips is 48% and of off-peak trips is 39%.
- Half of CTA riders (53%) ride CTA regularly, 5-7 days per week. The other half divide fairly evenly with 25% riding 1-2 days per week and 22% riding 3-4 days.
- Nineteen percent (19%) of households in the service area and 28% of CTA riders own no car. However, this means nearly three-fourths of CTA riders have a car available as mode choice.
- CTA ridership is drawn from all income strata with 28% of riders reporting household incomes below \$15,000 and 22% of riders reporting household incomes over \$40,000.

- 61% of CTA riders from the service area are female.
- 43% of CTA riders from the service area are blacks.
- Both CTA riders and nonriders rate CTA somewhat inferior to the automobile for getting to destination quickly and on-time, inexpensive to use, and "transportation I know how to use." They rate CTA very inferior to the automobile for easy to set own schedule, comfortable and clean, and safe from crime.
- CTA is rated superior to the automobile for cost and availability of parking at the destination.
- Blacks rate CTA less favorably on all service attributes than whites do.
- CTA EL/rail is rated slightly better than CTA bus.
- In-depth statistical analysis, shows that the importance of those attributes which are significantly associated with mode choice is, in priority order:

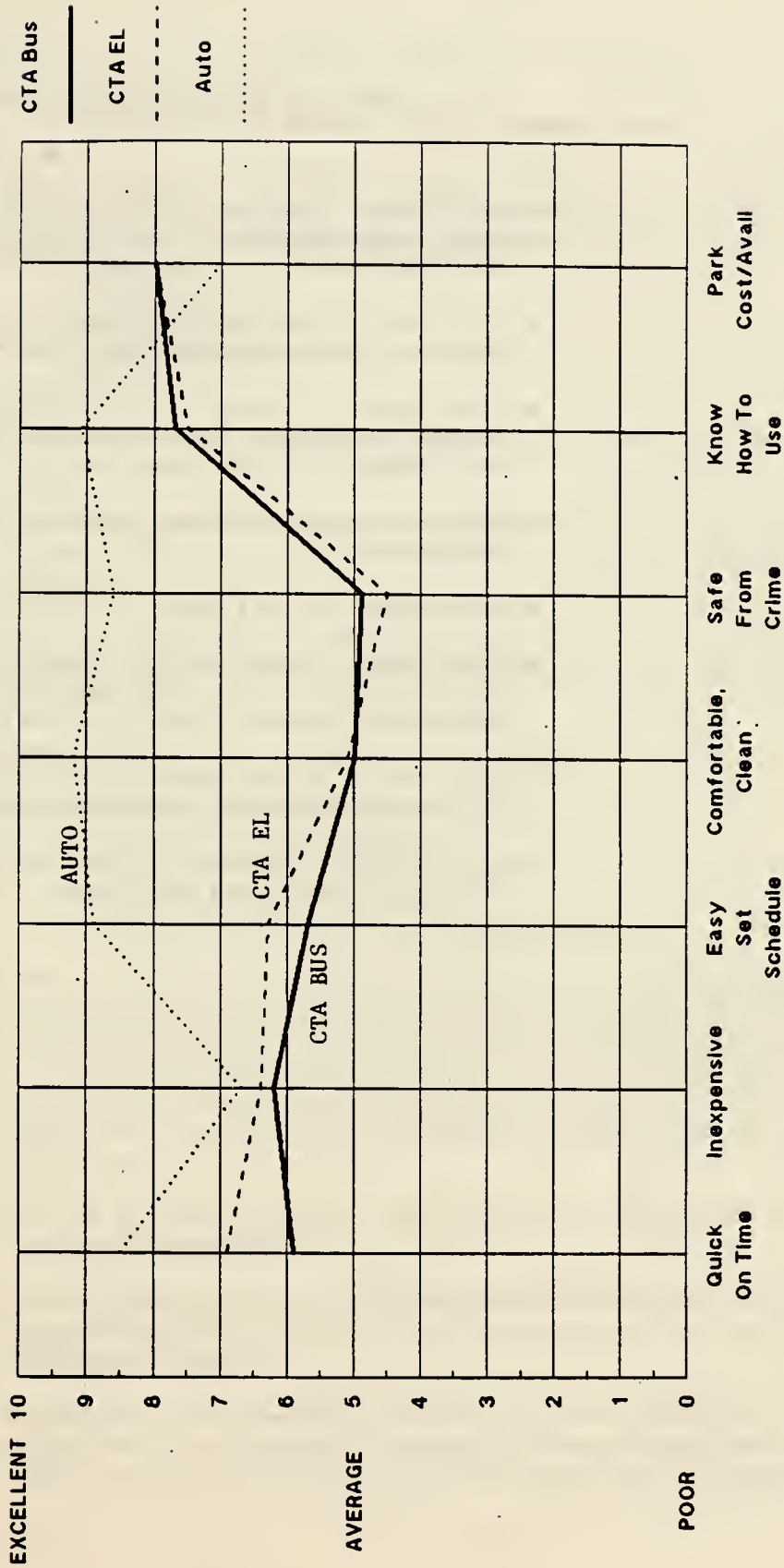
Cost and availability of parking at destination
Knowledge of how to use the service
Quick and on-time performance
Flexibility to set own schedule
Safety from crime

- Personal demographic characteristics (sex, race, car ownership) and trip characteristics have more effect on choosing whether to use CTA or the automobile than do attitudes toward service reflected in the attribute ratings. However, lower ratings of CTA service than of the automobile may limit CTA's ability to attract and retain riders unless addressed. Quality is important to riders.
- CTA priorities must focus on quality of service. Priority service attributes are to provide fast and reliable service and adequate frequency to offer riders scheduling flexibility. Both CTA and the Chicago Police Department have already taken steps since the survey to improve security. Cleanliness and comfort are also important, but not as important as fast, dependable and frequent service.
- Price is not a major deterrent to use of CTA at this time.

- CTA has an opportunity if cost of parking in the CBD continues to rise. Cost increases and parking availability constraints can be exploited to increase CTA ridership.
- Good information about transit service and how to use the system is important, but marketing efforts can only succeed if the product is satisfactory.
- The baseline market research identified the segments which are the subject of the subsequent surveys as potentials for ridership increases.

Average Mode Attribute Ratings By All In Service Area

(May-June 1988)



C. Key Findings of the Downtown Distribution Survey

- Over 75% of trips within the extended CBD area (including the Loop, North Michigan Avenue, River North and areas immediately West and South of the Loop) are made on foot.
- CTA share of internal downtown trips is 19%, although 47% of downtown pedestrians came into downtown by CTA.
- CTA share of internal trips is highest between the North and central (Loop) parts of the extended downtown, and lowest for trips entirely within the Loop.
- Three-fourths of daytime downtown pedestrians are employed downtown.
- Pedestrians are 46% female; 54% male.
- The primary reasons for not using CTA on internal downtown trips are that the trip is too short; CTA service is too slow; and (much less frequently) that CTA is too expensive.
- Over 40% of persons making internal downtown trips say no service improvement would cause them to switch to CTA.
- The principal suggestions pedestrians make for improvements in CTA downtown service are to make it faster and cheaper.

D. Key Findings of Chicago CBD Traveler Survey

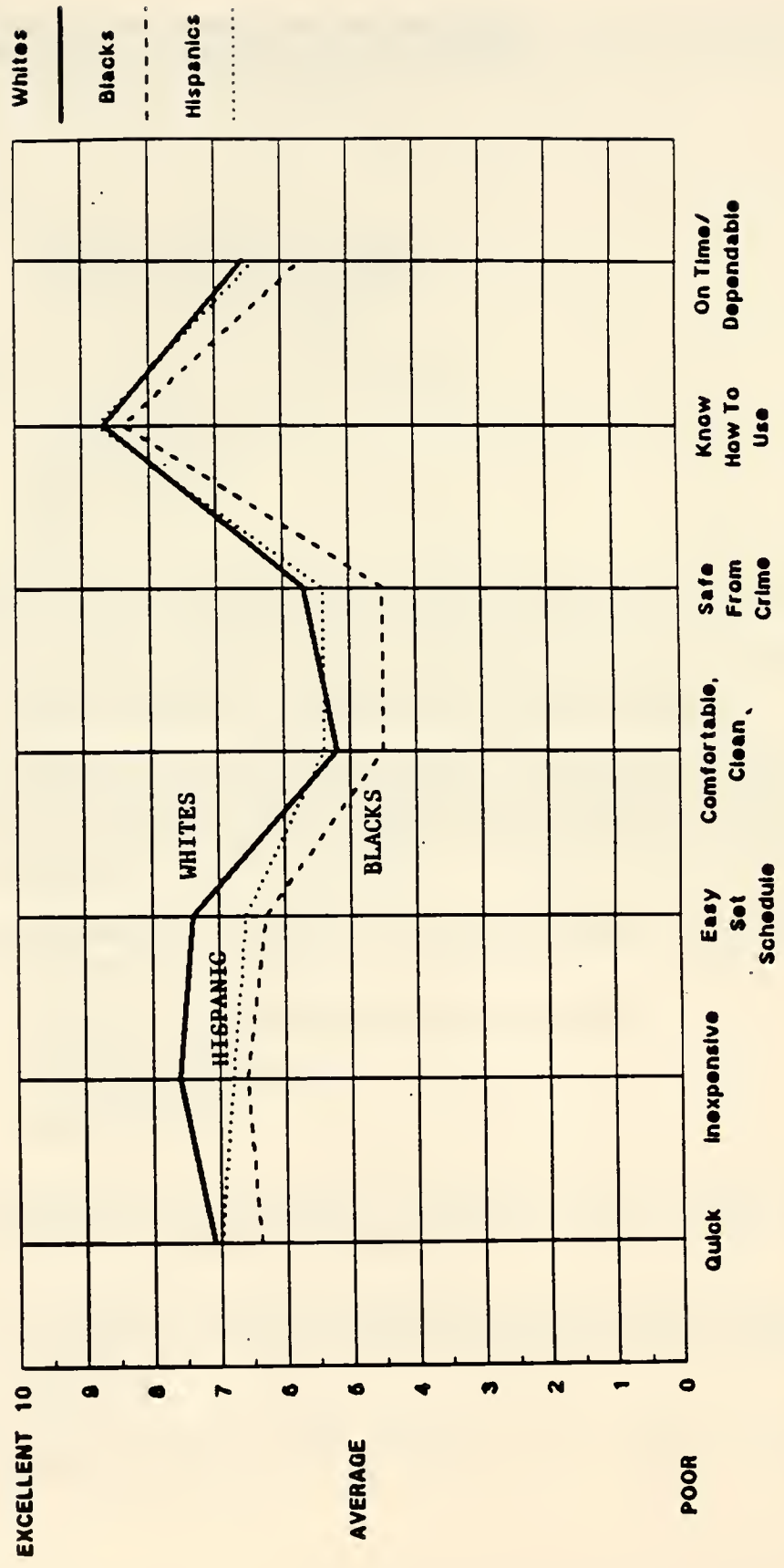
- CTA has a 68% mode share on trips by adult City of Chicago residents to the extended central business district (CBD); the automobile 32%. Auto occupancy is an average 1.08 persons.
 - 27% CTA bus
 - 24% CTA EL
 - 17% CTA bus plus EL
 - 32% Auto
- 74% of CBD trips are made by those who go downtown 5 or more days per week.
- CTA mode share for trips to downtown is 65% of trips made by whites, 71% of trips made by Hispanics and 73% of trips made by blacks.
- CTA users are 38% male, 62% female. However, women make 74% of their trips downtown by CTA whereas men make only 62% of theirs by CTA.
- Average travel time to downtown from Chicago homes is:
 - 40 minutes for auto drivers
 - 43 minutes for auto passengers
 - 51 minutes for CTA bus riders
 - 47 minutes for CTA EL riders
 - 60 minutes for those who use both bus and EL
- CTA provides very important service to a broad spectrum of downtown travelers as a backup or alternative service. If they had not gone downtown by car on their most recent trip, three-fourths of auto riders would have used CTA, 8% would not have made the trip. If they had not gone by CTA, half (48%) of CTA riders would have used the car but one-quarter (22%) would not have made the trip.
- 25% of downtown travelers mix their modes between CTA and auto on different days.
- Among Chicagoans who traveled downtown in the past week, 45% are employed in the CBD, the rest go downtown for other than employment reasons.
- Substantial parking subsidies encourage auto use downtown —40% of trips have free parking. In addition to free parking, these trips require less time for parking and for walking to the destination.

- Chicago to downtown travelers were asked to rate CTA and auto on the same attributes used in the household survey. Again—as in the total service area—the auto is rated better than CTA on all attributes except cost and parking.
- Most important attributes in mode choice to those who work downtown are, in priority order:
 - Cost and availability of parking
 - Getting to destination quickly
 - Ability to set own schedule
- Other determinants of mode choice are:
 - Time of day of trip
 - Trip purpose
 - Car ownership
 - Race
 - Sex
- Analysis by revealed preference (that is, what they actually did), shows quality of service is more important than cost.
- Blacks going downtown rate CTA lower than do whites, with ratings by Hispanics in between those of blacks and whites.
- Availability of a car in the household has significant effect in determining mode choice among those who travel to the CBD. CTA has 94% of the trips of those with no car, 69% of the trips of those with one car and 55% of the trips of those from multiple car households.
- A hypothetical new service was tested among travelers to the CBD. Its characteristics would be:
 - Pickup in own neighborhood, go express to CBD
 - Circulate in CBD
 - Clean, high quality buses
 - Guaranteed seat
 - Fare \$2.50
- As ratings of the TEST EXPRESS on the next graph show, a quality public transit service such as this gets ratings more like the auto than like existing CTA service.
- When presented with this quality option, downtown travelers jump at it—19% of auto riders say they “definitely would choose it,” and so do 13% of CTA riders (15% overall). Many others say they “might” use it.
- Hispanics and blacks are more likely to state they would use the service than whites are.

- If CTA can offer quality service, car riders can be attracted to CTA. They are willing to pay a premium for quality.

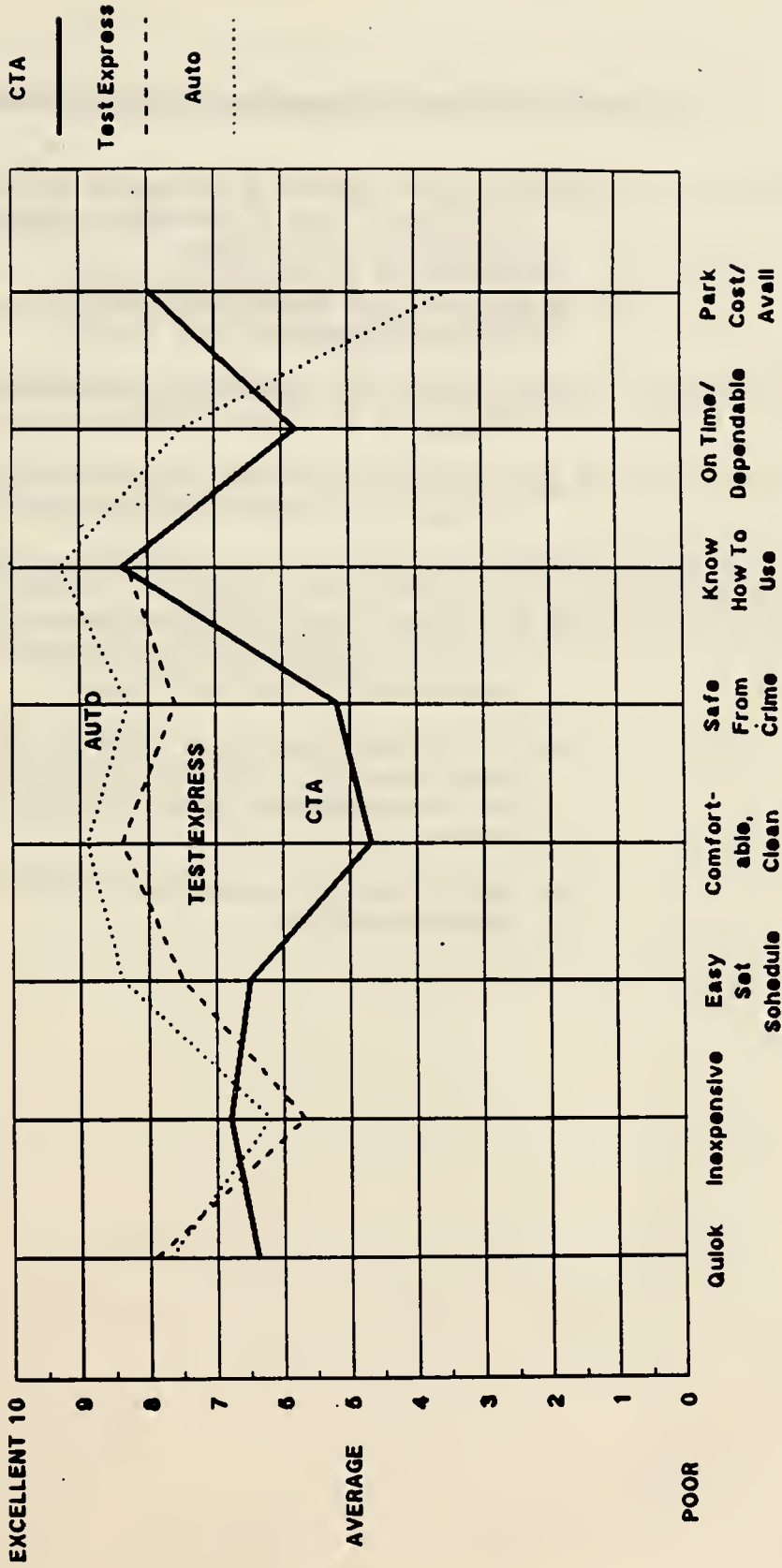
Average CTA Attribute Ratings By White, Black and Hispanic Travelers to CBD

(December 1988)



Average Mode Attribute Ratings By All Chicago Travelers to CBD

(December 1988)



E. Key Findings of Survey at Trip Generator Sites: Museums

- CTA mode share on a weekend is 10% at the Museum of Science and Industry, 10% at the Shedd Aquarium at 3% at the Field Museum of Natural History.
- 60% of visitors come by auto, 16% by tour bus (24% at Museum of Science and Industry).
- All three sites attract significant numbers from out of town, Chicago and the northern suburbs.
- The main reasons for not using CTA are perceptions that the service is too slow and lack of knowledge of CTA services.
- The potential for increasing CTA market shares is limited.
- More captive, transit dependent riders might be attracted by more direct (no transfer) services and better information both about the museums and CTA service to them.
- Choice riders might be attracted by more direct routings which might include direct connections from park and ride lots, train stations and marketing efforts which focus on avoiding parking congestion.
- Out of town visitors need more accessible information on routes, schedules and fares.

F. Key Findings of Survey at Trip Generator Site: Medical Center

- CTA mode share at Rush-St. Luke's/Cook County Hospital Medical Center is 40%:
 - 41% of those employed at the hospitals
 - 49% of those coming for doctor or clinic visits
 - 22% of those coming to visit a patient
- Three-fourths of those who did not use CTA could have gotten there on CTA.
- Six out of 10 of those who did not use CTA say a car is faster, 16% say the wait is too long.
- Since CTA has a bus stop right at Cook County Hospital, within a block of Rush-St. Luke's (which has a parking garage with attached tunnel), marketing should be targeted at the site to those who are on direct bus routes.

G. Marketing Recommendations to Increase Ridership

APPROACH TO MARKETING CTA SERVICES

A successful CTA marketing approach must serve the traveler and his/her needs for transportation. The objectives of marketing are to:

- Identify services which people need and want to use
- Design and deliver services people want to use
- Promote services matching peoples needs

To obtain maximum benefit from this approach and to maintain credibility with the traveling public, *the CTA should not promote services with poor quality*, which people do not want and which are not good values for the money. Promoting poor service is costly in terms of money spent unproductively, loss of institutional credibility, undermining the CTA's image and loss of riders.

MARKETING RECOMMENDATION: Focus Marketing on Service Improvements and Quality-of-Service Attributes Which Most Affect Mode Choice

There are opportunities to increase CTA ridership, if the CTA can improve service quality and communicate those improvements to the traveling public. CTA should focus on service quality over price with emphasis on:

- Most important attributes
 - * Get to destination quickly
 - * Get to destination on time
 - * Frequent service which provides individual schedule flexibility
- Less important attributes for mode choice (although important for rider satisfaction and public good)
 - * Improved safety and perception of safety. CTA and Chicago Police are working to improve safety. This effort must be well communicated.
 - * Maintain vehicles to provide a high standard of comfort and cleanliness
- Low CTA fare is distinctly less important than the above quality of service attributes

MARKETING RECOMMENDATION: IMPROVE CTA IMAGE

The CTA image is based both on service quality, general system appearance and comfort (physical and psychological) in using the CTA.

- Implement an upgraded vehicle maintenance and cleaning program
- Concentrate the above program and new vehicle assignment on specific routes to maximize visibility and impact while making certain that improvements are distributed over all major service areas
- Maintain active program of security improvement to enhance safety and improve feeling of safety on all CTA services.

MARKETING RECOMMENDATION: PROMOTE UNIVERSALITY OF CTA USAGE

A large share of Chicago and service area households use CTA for at least some of their trips. Many more households/individuals see the CTA as a backup if their regular means of travel is not available.

- Communicate to potential riders that "CTA serves people like you." CTA serves 70% of Chicago households and 27% of suburban service area households.
- Extend current program of personal endorsements to include a wide range of travelers making different types of trips. Concentrate endorsements on high usage markets.

MARKETING RECOMMENDATION: EXPLOIT CTA'S ADVANTAGE WITH RESPECT TO PARKING AVAILABILITY AND COST WHERE THESE ARE PROBLEMS

- Monitor parking cost and availability
- When parking costs increase, respond with CTA marketing campaign
- Focus on the downtown area where parking availability and cost is the attribute which has the most effect on CTA choice
- Consider potential for developing parking advantage program for promotion at other sites including O'Hare Airport.

MARKETING RECOMMENDATION: DEVELOP PROGRAM OF INSTITUTIONAL RELATIONSHIPS TO "LEVEL THE PLAYING FIELD" FOR CTA RELATIVE TO CAR TRAVEL

- Work with downtown businesses to obtain subsidies for transit users which balance free or low cost parking subsidies for car users. Employers and other establishments provide free, convenient parking for 40% of car trips to the downtown area.
- Work with operators of major employment centers to identify opportunities for provision of CTA services at lower cost than the provision of free parking.
 - * Focus on sites where CTA service is good
 - * Focus on travelers who can use direct EL/subway or bus (no transfer) service

MARKETING RECOMMENDATION: IDENTIFY TARGET MARKETS IN WHICH CTA HAS ADVANTAGES AS INDICATED BY EXTENT OF CTA USAGE

- Trips to downtown and near downtown:
 - * Maintain and improve quality of service focusing on travel time, reliability and frequency.
 - * Improve collection and distribution for CTA EL system.
 - * Develop downtown-oriented marketing activities including:
 - * Direct promotion sites
 - * Radial maps to downtown
 - * Cost advantage comparisons and examples
 - * Monitor and capitalize on parking problems
- Other high use markets:
 - * Blacks use CTA more than all other racial groups but are less satisfied with the service. Investigate reasons for poor CTA ratings and take remedial action where feasible.
 - * Women use CTA service more than men but are somewhat less satisfied with service than men and rate CTA safety much lower than men. Continue to improve CTA safety.
 - * Households with low car ownership.

MARKETING RECOMMENDATION: TARGET MARKET WHERE SERVICE IS BEST

This is consistent with marketing on a quality basis and identifying target markets, where CTA has advantages

MARKETING RECOMMENDATION: IDENTIFY SPECIALIZED MARKETS IN WHICH CTA MAY PROVIDE SERVICES WHICH SPECIFICALLY RESPOND TO TRAVEL NEEDS

- **Downtown Circulation:** There is an increased market for downtown circulation if service were faster. Design highly visible services, work with City to improve CTA speed and reliability. Consider:
 - * Distinctive visual identification of downtown buses and stops.
 - * Exclusive and priority lanes, traffic signal priorities, and more aggressive parking enforcement.
 - * Increased frequency on selected routes
 - * Lower fare for downtown circulation
 - * Marketing campaign to increase awareness of distributor and circulation service.
- **Major Generators and Special Events:** Work with management of attraction sites and special events organizers to design CTA service responsive to specialized travel needs. Undertake joint promotion.
 - * Develop special promotional schedules and maps.
 - * Distribute material at hotels, visitor centers and event sites.
 - * Improve visibility, safety and convenience of drop off and pick up locations.
 - * Assure high quality service (fast and frequent).
 - * Exploit potential to attract new riders to CTA for more routine travel.
 - * Consider routes which connect with Metra stations, park and ride lots, hotels.

MARKETING RECOMMENDATION: DEVELOP AND MARKET PREMIUM SERVICES

There is considerable evidence that travelers not currently using CTA would use CTA if it were to provide very high quality services even at a premium price. CBD travelers responded enthusiastically to a premium quality and high price express bus service (15% stated they would definitely use such a service.)

- Develop and market a premium express bus service for travel to the CBD from areas not currently served by direct EL or express bus service.
- Service design should include high travel speed, guaranteed seating, on-time reliability, frequent schedules during peak period, and a premium fare.
- Implement service in selected test markets and carefully evaluate service delivery and promotion, public awareness and ridership patterns.

MARKETING RECOMMENDATION: DIFFERENTIATE CTA FARES BY SERVICE TYPE

CTA's marketing objective is to increase both ridership and revenues. Differentiating fares by service type provides the potential to increase revenues while maintaining or increasing ridership. Fare differentials can be based on:

- Quality of service. Travelers appear willing to pay higher fares for better service. Such service distinctions can be based on overall higher quality such as with a premium express bus service, higher speed such as the EL system relative to buses, etc.
- Time of day (peak/off-peak). Travelers during the peak period may obtain greater benefits and be willing to pay higher fares than travelers at other times. A peak period differential might shift some of the peak period travel to less congested time periods (18% of peak period travel to the downtown is for purposes other than work).

MARKETING RECOMMENDATION: MARKET THE EL/SUBWAY/RAIL, LOCAL BUS AND EXPRESS BUS AS SEPARATE PRODUCTS

The EL/subway has a better service image than the bus. Express bus has the potential to obtain a higher quality service image.

- Promote EL/subway as a distinct service. Some of the read, relax, get to destination quickly messages being used to promote commuter rail may work for EL/subway but not for bus.

- Market existing and new express bus services as distinct services focusing on high quality (assure that high quality is being delivered), express/non-stop service, reliability and comfort.

MARKETING RECOMMENDATION: PROVIDE MORE INFORMATION TO MAKE CTA EASY TO USE

- Radial maps with CBD at focus
- Downtown circulation maps/schedules.
- Special labeling for downtown circulator buses
- Maps/schedules specifically for large non-CBD trip generator sites — museums, parks, stadiums, medical centers, large employment sites
- Other maps/schedules
- Advertise/publicize new services and service improvements.

MARKETING RECOMMENDATION: CONTINUE ON-GOING MARKET RESEARCH PROGRAM

On-going market research provides CTA with the understanding of its markets necessary to maintain and improve service delivery and develop effective marketing programs. Objectives of on-going market research include:

- Monitor service quality and satisfaction of riders, by line, to identify improvement or deterioration in service delivery.
- Monitor service perceptions of non-riders to identify actions to attract non-riders to CTA use.
- Test and evaluate new service and marketing concepts.
- Identify marketing problems and opportunities.

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